

**Market Conduct Examination of  
United HealthCare of Wisconsin, Inc.  
Conducted March 24 – June 24, 2003**

Below are the recommendations noted in the summary of Comments and Recommendations, followed by the Company's response.

**Claims**

1. **It is recommended that the Company develop a written procedure specific to Wisconsin chiropractic claims for handling of claim and coverage issues related to limiting or terminating chiropractic services. § 632.875 Wis. Stat.**

Company Response:

The Company agrees with the recommendation and will develop a written procedure specific to Wisconsin to address handling of claim and coverage issues related to limiting or terminating chiropractic services.

2. **It is recommended that the Company modify the form letters it sends to treating chiropractors and patients regarding Wisconsin chiropractic claims to contain all of the information required by § 632.875 (2)(a)-(h) Wis. Stat.**

Company Response:

The Company agrees with the recommendation and will modify the form letters for treating chiropractors and patients to contain information required by Wisconsin law.

3. **It is recommended that the Company correct the identified system problem so that ANSI codes are printed on generated EOB forms for Wisconsin certificate holders as required by § Ins. 3.651(4)(a) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and has begun printing claims adjustment reason (ANSI) codes on the Explanation of Benefits. System issues were corrected by December 6, 2003.

4. **It is recommended that the Company develop written procedures and corresponding letters to ensure that requests from Wisconsin certificate holders for information related to the specific methodology used by the Company in adjudicating claims are answered as required by § Ins. 3.60(6) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and has updated the response letters sent to the customer to explain the methodology used for out of network claims adjudication. The Company will also revise the associated procedures.

**Policyholder Services and Complaints**

5. **It is recommended that the Company revise the manner in which it maintains a record of complaints so that it can retrieve complaint information related to Wisconsin insureds for review by OCI in order to comply with § Ins 18.06(1) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and has enhanced data retrieval functionality so that we can provide reports of complaints by state.

6. **It is recommended that the Company revise its complaint procedures involving the handling of OCI complaints to reflect its stated practice of contacting the complainant within 10 days of receiving the complaint per OCI referral instructions in order to comply with §. 601.42 Wis. Stat.**

Company Response:

The Company agrees with the recommendation. The Company has significantly revised the complaint and appeal processes since the conclusion of the audit work in July 2003. We believe the enhancements to processes have improved the response timeframe for OCI complaints.

**Grievance and Independent Review**

7. **It is recommended that the Company revise the definition of complaint in its written procedures to comply with the definition of § Ins 18.01(2), Wis. Adm. Code and to handle as grievances all written communications that meet the definition of a grievance in § Ins 18.01, (4) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and revised the definition of a complaint to reflect Wisconsin requirements.

8. **It is recommended that the Company revise its definition of an appeal (grievance) to comply with the requirements of § Ins 18.01(4) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and has revised the definition of an appeal (grievance) to reflect Wisconsin requirements.

9. **It is recommended that the Company revise its procedures to handle as grievances written expressions of dissatisfaction involving quality of care issues as required by § Ins 18.01(4) and §. Ins 18.03 Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and will revise its procedures to handle as a grievance all written expressions of dissatisfaction involving quality of care issues.

10. **It is recommended that the Company revise its appeal/grievance procedures to schedule all unfavorable 1<sup>st</sup> Level Appeal grievances for hearing by the grievance committee rather than requiring the grievant to request a 2<sup>nd</sup> Level formal hearing as required by § Ins 18.03 Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and will implement a procedure to schedule all unfavorable 1<sup>st</sup> Level grievances for hearing by the grievance committee.

11. **It is recommended that the Company revise its WI 1<sup>st</sup> Level Admin Denial Letter and WI 1<sup>st</sup> Level Clinical Denial disposition letter to not require that the grievant request a hearing in order**

**for the grievance to proceed to the 2<sup>nd</sup> Level Appeal and be heard by the grievance committee as required by§ Ins. 18.03, Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and will revise its grievance letters to reflect the new procedures developed as discussed in response to recommendation #10.

- 12. It is recommended that the Company improve its existing procedures and provide staff training to better ensure the prompt handling of grievances in compliance with the time frames required by § Ins. 18.03(6) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation. Training with respect to Wisconsin-specific requirements was conducted with NASC staff in Duluth in September and December 2003. Compliance staff also provides ongoing consultation to complaint-handling staff. The Company expects to have periodic training sessions, as needed. Also, Wisconsin-specific requirements are included in the NASC training processes. Grids with all state requirements are available to each processor.

Additionally, supervisors pull daily case reports to check compliance. Processors are monitored for compliance with requirements. Managers take action when a processor is deficient, ranging from additional training to termination. The quality program requires review of a sample of files across all states for inclusion of correct state requirements.

- 13. It is recommended that the Company improve its existing procedures to ensure that all documentation related to a grievance is maintained in the grievance file for a period of 3 years as required by§ Ins. 18.06(1) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and is developing a new file content policy. The quality program also monitors completeness of files. Finally, NASC images all files and links them to their database, so they can pull up the file at any time.

- 14. It is recommended that the Company amend its provider agreements to include a provision that requires the contracting entity to promptly respond to complaints and grievances filed with the Company to facilitate resolution as required by§ Ins. 18.03(2)(c) a. Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation. The Company filed new provider agreements that include a regulatory addendum for Wisconsin-specific requirements during 2002. The regulatory addendum has a provision for the Company to respond promptly to complaints and grievances. These agreements had not been fully implemented at the time of the audit. The Company has re-contracted with many of the providers. The Company will distribute the updated regulatory addendum to all remaining providers who are not yet contracted using the current agreements. The remaining physicians are expected to be re-contracted by December 31, 2004.

- 15. It is recommended that the Company submit to OCI documentation that all members who had received an adverse determination or an experimental treatment determination on or after December 1, 2000 and prior to June 15, 2002, and who had completed the HMO's internal grievance process were provided with a notice that they had the right to request an independent review, as required by§ Ins. 18.11(2)(a) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation. The examiners acknowledged that the Company did provide the notice of the right to request an independent review. However, we did not provide to the examiners the criteria used to determine which grievances involved adverse determinations or experimental treatments. We will provide the examiners with the information.

- 16. It is recommended that the Company modify the external review provisions in its policy to include an explanation of how to obtain a current listing of IROs, as required by § 632.835(2)(bg) 1 Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and has put a process in place to attach the list of IROs from the Wisconsin OCI website to the letters that uphold a grievance and are eligible for external review.

- 17. It is recommended that the Company develop and implement procedures to ensure that its customer service staff provides its members with complete information on the independent review process as required by s. 632.835(2) (bg) 1 Wis. Stat.**

Company Response:

The Company agrees with the recommendations. We have adjusted the appeals letters to provide additional instruction for the enrollee to obtain access to an independent review. The service organization will develop and implement all necessary procedures and training to provide IRO information required by § 632.835(2).

- 18. It is recommended that the Company develop and implement a procedure that ensures that it accepts independent review requests without requiring a written release from the member in compliance with § Ins. 18.11(3)(b) Wis. Adm. Code.**

Company Response:

The Company does not engage in this practice, however, we acknowledge that the procedures did not reflect specific language to indicate this. The Company has updated the procedure.

- 19. It is recommended that the Company develop and implement a procedure whereby a member may request and obtain an independent review of an adverse determination, as defined by § Ins 18.10(1) Wis. Adm. Code or an experimental treatment determination, as defined by § 18.10(2) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation. The Company uses terminology to describe all applicable situations as a clinical case review. This includes experimental treatment determinations and other situations that meet the definition of an adverse determination, if any. The procedures allow a member to request and obtain an independent review for these situations. The Company will modify our policy and procedure document to be more specific.

- 20. It is recommended that the Company develop and implement a procedure for handling expedited independent review requests that complies with § 632.835(3)(g) Wis. Stat.**

Company Response:

The Company agrees with the recommendation. State specific requirements are included in a grid that accompanies the policies and procedures. This grid will be updated to reflect the correct requirements.

- 21. It is recommended that the Company develop and implement a procedure to submit the additional information requested by an IRO or an explanation within 5 business days after receiving a request, as required by § 632.835(g3)(c) Wis. Stat.**

Company Response:

The Company agrees with the recommendation and has updated the grid that accompanies the policy and procedure to reflect the correct requirement.

**Small Employer Health Insurance**

- 22. It is recommended that the Company revise the termination letters used in cases where a small employer group has fallen below the minimum participation requirements of the policy and specifically offer to continue the coverage for 60 days after the non-renewal or termination date to allow the small employer to increase the number of eligible employees to the required number as required by § Ins. 8.54 (4)(a) 2 Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and has revised the termination letters to the employer to meet the requirement of the statute.

- 23. It is recommended that the Company revise its procedures to record the date it receives a request for a small employer health plan price quote.**

Company Response:

The Company agrees with the recommendation and is developing a mechanism to record the date it receives a request for a small employer health plan price quote.

- 24. It is again recommended that the Company establish procedures to ensure that a separate written notice is provided to the policyholder, upon issuance of the policy, which discloses to the policyholder, that the protections afforded by ch. 635 Wis. Stat. will cease to apply and the policy terminated if the employer moves his business outside the state or if the employer no longer meets the definition of small employer, as required by § Ins 8.44 (2) Wis. Adm. Code.**

Company Response:

The Company agrees to provide a separate written notice even though the regulation cited requires only that the Company notify each employer when a policy is issued. The Company already includes the required language in the policy issued to each small group employer.

- 25. It is recommended that the Company revise its procedure, Adding Newborns (COSMOS Adding Newborns \_tt 9/28/00) to specify and comply with the requirements of § 632.895(5) Wis. Stat.**

Company Response:

The Company agrees with the recommendation. The “Adding Newborn Coverage” policy and procedure, dated November 6, 2003, specifically refers to the Eligibility DIV Specific Detail policy and procedure. This procedure was updated to reflect the Wisconsin timeframes for providing Newborn coverage.

**Privacy and Confidentiality**

- 26. It is recommended that the Company include as a revision to its applications the ability to date the form and limits the length of time the authorization is valid to the policy term or the pendency of a claim for benefits in order to comply with § 610.70(2)(a) 2 and (b) 2 Wis. Stat.**

Company Response:

The Company agrees with the recommendation and has revised its application form.

- 27. It is recommended that the Company develop and implement a process for providing to individuals access to recorded personal medical information in order to document compliance with § 610.70(3) Wis. Stat.**

Company Response:

The Company agrees that the information provided during the audit did not completely explain our process for providing access to medical information, nor did it specifically identify Wisconsin code sections. The Company has always had a process in place for an individual to request their recorded personal medical information. With the implementation of the federal privacy regulation in April 2003, we enhanced our processes in order to meet federal and state laws. The process allows the individual or their representative to receive a copy of designated records, account for disclosures made regarding the individuals' records, and provide notice of the individual's right to amend their records. We have since provided the documentation that represents the procedural information and the Wisconsin requirements that are more stringent than the federal privacy regulation.

**Managed Care**

- 28. It is recommended that the Company draft summaries of its quality assurance plan for inclusion in its marketing materials and certificate of coverage or enrollment materials and submit the summaries to OCI with 60 days of the adoption of the examination report in order to comply with § Ins 9.40 (7)(a) and (b) Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation. The Company will draft a summary of the quality assurance plan and include it in the pre-enrollment marketing materials. Furthermore, the Company already provides this information to existing members annually in a special mailing.

- 29. It is again recommended that the Company amend its provider agreements to include a provision addressing reimbursement for services provided in continuity of care situations, as required by § 609.24(1)(e) Wis. Stat.**

Company Response:

The Company agrees with the recommendation. The Company had amended and filed new provider agreements during 2002. The current version of the regulatory addendum to the provider agreement does include a provision addressing continuity of care situations. The Company began contracting new physicians with the new simplified agreements on January 1, 2003. We are in the process of re-contracting all existing physicians with these simplified agreements with anticipated completion by December 31, 2004.

- 30. It is recommended that the Company amend its provider contracts to include a provision regarding the responsibility of the provider specialist to post in – office notice of termination, as required by § Ins. 9.35 (1)(a) 3 Wis. Adm. Code as § 609.24 Wis. Stat.**

Company Response:

The Company agrees with the recommendation. The regulatory addenda to the provider agreements will be updated.

- 31. It is recommended that the Company improve its compliance program, including documenting its oversight of its contractors, providers, and vendors in order to meets the requirements of § Ins 9.42 Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and will improve our documentation of the oversight process consistent with requirements of § Ins 9.42 Wis. Adm. Code.

**Electronic Commerce**

- 32. It is recommended that the Company develop and implement a process for identifying Company advertisements on the Internet, and for monitoring agent websites to ensure that all advertisements used by agents are approved by the Company, are included in the Company's advertising file, and are compliant with § Ins. 3.27 Wis. Adm. Code.**

Company Response:

The Company agrees with the recommendation and is developing a procedure to periodically review agent websites on the Internet.

**Company Operations and Management**

- 33. It is recommended that the Company improve existing procedures to ensure that current copies of active provider agreements are maintained in order to comply with § 601.42 Wis. Stat.**

Company Response:

The Company agrees with the recommendation and has implemented a procedure to maintain comprehensive files for provider agreements.

- 34. It is recommended that the Company operate a process to ensure that it makes periodic and necessary amendments to provider agreements for Wisconsin providers as required by Wisconsin insurance law.**

Company Response:

The Company agrees with the recommendation and had an established process for updating provider agreements at the time of the audit. The Company had amended and filed new provider agreements during 2002, but had not fully implemented these updated agreements by the time of the audit.

- 35. It is recommended that the Company designate a management level person familiar with Wisconsin insurance law to be responsible for oversight of Wisconsin claims, grievances and complaints, and for communicating with OCI.**

Company Response:

The Company agrees with the recommendation. While the Company historically has had multiple individuals in Compliance and business operations who have been responsible for oversight of processes and for communicating with OCI, we have not had a single point of contact that is dedicated as a primary interface for communications and escalation of issues. The Company has designated a management level person to assume this responsibility.